

BUDGET, FINANCE & INVESTMENT COMMITTEE

February 5, 2009

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Bob Bullen
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Dough Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Teb Batey
Truman Jones
Lisa Nolen
Harry Gill
Mark Byrnes
Rick Wise

Others Present:

Grant Kelley
Terry Hodge
Don Odom
Jeff Sandvig
Gary Clardy
Donald Jernigan
Regina Nelson

Others Present:

Andre Fresco
Wanda Watkins
Alan Miller
Mike Nunley
Mac Nolen
Roger Allen
Doug Demosi

Lois Miller, Stan Samples, Betty Vaughn, Sonya Stephenson, Carol Berning, Liz Bennett, Oma McNabb, Nancy Johns, Margaret Ellis, Nancy Gray, Rena Scudder, Ron Scudder, Diane Mackey, Nell Blankenship, Sue Cain, Anne Odom, Billy Summers, Ben Cates, Jonelle Prince, Sharon Summar, Chantho Sourinho, Joan Clark Mann, Rita King, Tom VanDervort, Margaret Mann, Deborah Richards, Karen Burrell, Douglas Nance, Lillian Hill, Joel Hill, Robbie Mayfield, Dick Conley, Elaine Short

Chairman Joyce Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

APPROVE MINUTES:

The minutes of the January 8, 2009 meeting were presented for approval.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the minutes as presented. The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that there was one investment transaction during the month, with the winning bid going to First Bank at 2.90%. Mr. Batey advised that was about 75 basis points better than earlier in the month. The interest rate received from LGIP during the month was 1.37%, which was a decrease of 42 basis points. He advised that he would be watching the local banks to see if better interest rates could be received from them on shorter maturities as opposed to LGIP.

Following review, Comm. Bullen moved, seconded by Comm. Peay to approve the monthly Investment Report as presented. The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the monthly Fund Condition Report as of January 31, 2009, advising that the Development Tax Collections for the month totaled \$34,500 with the year-to-date total being \$2,097,750. This compared to the same period last year when the monthly collections totaled \$332,250, and the year-to-date collections were \$2,339,250.

The Finance Director reviewed the Fund Cash Balances, which totaled \$147,756,752 with operating funds being \$129,810,424 and borrowed funds being \$17,946,328. This compared to January, 2008 when the total cash balances were \$186,674,305 with operating funds being \$143,288,148 and borrowed funds being \$43,386,157.

The Finance Director noted that the cash balance in the Debt Service Fund was \$33,470,841 compared to \$45,916,705 for January, 2008. She reminded the committee that \$13 million in interfund loans had been issued from the Debt Service Fund.

Mayor Burgess noted that the decrease in the General Fund cash balance from \$21,166,213 to \$16,698,820 reflected the use of the General Fund reserves over the past two or three years.

Comm. Shafer questioned the \$179,216 in the Rockvale Site/Sewer Project. He stated with the Development Tax collections being down; he assumed that nothing had been received from sewer tap fees.

Finance Director Nolen reminded the committee that if the City of Murfreesboro did not collect enough in sewer tap fees, the county would be liable for their principal and interest payments. She advised that she had budgeted funds in the Debt Service Fund for that payment in case it was necessary for the county to make the payment.

The Finance Director stated that the Rockvale Sewer Project was complete, and she would anticipate that the School Board would be transferring that money to the Rockvale High School Project, which had a deficit balance of \$222,229.17.

Mrs. Nolen reviewed the revenue for the various funds, noting that the total revenue collected for each fund year-to-date was still somewhat in line with previous years. Areas of concern in the General Fund continue to be licenses and permits and excess fees from elected officials. She advised the second quarter payment from the Register of Deeds was only \$62,000. She explained that the 2009-10 estimated revenue for the General Fund was \$68.5 million with estimated appropriations of \$74.5 million. She stated if all of the revenue was received and all of the expenditures were spent, it would cause the General Fund ending fund balance to be below the required \$11.1 million. She stated that she had requested preliminary revenue estimates from all of the departments in preparation for the 2009-10 budget, and estimates from the elected officials indicate that the revenue for excess fees would be approximately one million less than the estimate for the current year.

Mayor Burgess noted that the current year collections from the fee officials might also be one million short.

The Finance Director agreed and stated if the building permits and other permits were also considered, that the 2008-09 revenue might be as much as two million short. She stated that the offset to the shortfall in revenue was that all of the expenditures are not typically spent. She stated that if two or three million dollars was not spent that would offset the shortfall in revenue.

Mayor Burgess stated that would still bring the ending fund balance in the General Fund down to the required minimum.

Comm. Jordan stated even if the General Fund got by this year, there would be a problem going into next Fiscal Year.

Mayor Burgess noted that the budgets in the General Fund had been reduced the last two or three years to the point that he was not sure that the typical savings would be realized at the end of this Fiscal Year.

Comm. Shafer stated that he had seen job postings on the county's website, and was curious as to how many vacant positions had been filled.

Mayor Burgess advised that he believed that no more than a half dozen positions had been posted. He stated that very few positions had been filled. He stated there were open positions in two or three departments that would not be filled.

Following review, Comm. Sandlin moved, seconded by Comm. Jordan to approve the monthly Fund Condition Report as presented. The motion passed unanimously by acclamation.

INSURANCE REPORT:

Mrs. Lois Miller, Insurance Director, presented the monthly Insurance Financial Report advising that January was a favorable month for health insurance claims. The medical claims dropped from \$3.2 million in December to \$2.6 million in January. The average monthly claims cost per employee was \$618. When compared to the same time period last year, the claims costs were significantly up. Mrs. Miller advised that she was still concerned about the large claims. Through December, there were \$4.2 million in large claims, with one claim being in excess of \$375,000 and another claim that was close to that level.

There was an increase in the dental enrollees, which was attributed to the open enrollment. The CareHere visits also showed an increase month over month, but the cost per visit was stabilizing at approximately \$81 per visit.

Regarding the Worker's Compensation, the claims costs for January totaled slightly less than \$100,000. The year-to-date costs are almost 135% of last year's costs.

Following review, Comm. Sandlin moved, seconded by Comm. Peay to approve the Insurance Report as presented. The motion passed unanimously by acclamation.

EMPLOYEE HEALTH INSURANCE – GASB 45 INFORMATION:

Finance Director Lisa Nolen introduced Mr. Stan Samples from JP Morgan. Mr. Samples has 30 years experience as an actuary and comes highly credentialed. He is a Fellow of the Society of Actuaries. Mr. Samples worked 15 years with Nissan helping them to develop their pension and post-employment benefit plan. Mr. Samples was present to answer questions from the committee, to address them regarding the history of the Other Post Employment Benefits (OPEB) and how it affected the private sector, and to explain how the numbers were computed and how and why the numbers increase.

Mr. Samples explained that in 1991, the Financial Accounting Standards Board, which applied to private companies, established Statement 106. The purpose of that Statement was to require companies to accrue and show on their books what they were promising to pay in terms of post-retirement medical benefits. GASB, the government equivalent, established GASB 45 in 2004 to require government entities to also comply with some of the same similar rules. Mr. Samples explained how actuaries take the employee population and the retiree population, look at the planned benefits that they have been promised, and take into consideration various assumptions such as the mortality, turnover, etc. to make a GASB calculation of the costs. This information is then taken and projected into the future to determine how much the county would have to pay in cash to cover the benefits for the next 75 years. For Rutherford County, those cash payments total about \$2 billion over the next 75 years. That amount is discounted in order to arrive at what the cost would be today. The present value of the cash payments was \$385 million. The portion that was being earned in a particular year was calculated to be \$15 million. The past service was also looked at to determine the accrued actuarial liability. That was calculated to be \$185 million and represented all past years of service. When the \$185 million was amortized over 30 years, it calculated to \$12 million. The \$15 million present value cost plus the \$12 million of amortized payments equaled \$27 million for the required annual contribution. This would be the expense recorded on the income statement, but the number changes over time. It was determined that this number could grow to \$60 million over the next 10 years.

Comm. Bullen asked if the actuarial study indicated that Rutherford County should put \$26 million in the bank.

Mr. Samples advised that GASB 45 did not require a government entity to fund the liability, but that was the amount that would need to be reported on the financial statements as an expense. He stated if the \$26 million was put in the bank that would be the amount that would fund the benefits over time.

Comm. Bullen asked if the three proposals were adopted, would it slow down the growth of the liability.

Mrs. Miller stated that was correct. She stated that the three proposals addressed new hires, the current post-65 population and people who would be grandfathered into that population, and the employees approaching retirement. The proposals do not do anything to address the current active employee population.

Mayor Burgess stated if all three proposals were adopted it would decrease the liability substantially.

Comm. Peay asked how the changes would affect current retirees.

Mrs. Miller advised that the impact to the current post-65 retirees was outlined in Proposal three. She advised Proposal three also would grandfather an additional population in order to account for individuals who would be turning age 65 by a certain date and also would include employees with 30 years of service by a certain date. This proposal would add 216 current and future retirees to the 244 individuals who already comprise the group. Proposal three would allow this group to pay only 25% of the adequate premium for themselves versus the 50% that the County Commission voted on in 1999 and to pay 50% of the adequate premium for their spouses. There are currently 169 single enrollees and 86 two-party enrollees in this group. The current rate paid by retirees is \$63.63 for single coverage and \$118.60 for two-party coverage. Typically, two-party coverage would be double the amount of single party coverage, but that has not been the case with this group. The proposal would move to that rate with the two-party coverage being double the single rate. In the first year the single coverage would increase from \$63.64 per month to \$80.64 per month. For the two-party coverage the rate would increase from \$118.60 per month to \$241.92 per month. After the first year, the increases would not be as much. Mrs. Miller stated again that this group would include all of the current post-65 retirees, all employees who would have 30 years of service as of a certain date, and all of those who would be age 65 as of a certain date regardless of whether they were active or retired at this point in time.

Mrs. Miller pointed out that currently for pre-65 retirees the single rate paid by the retiree is \$265.57 and the two-party rate is \$493.30. She stated even with the increase for the post-65 group, it would still be a significant decrease from what the pre-65 retirees were paying.

Mrs. Miller advised that Rutherford County was one of only five counties in Tennessee that offered post-65 medical and pharmacy benefits, but two of those do not contribute to the cost. The Tennessee Teachers' post-65 plan does not include a pharmacy benefit. That meant that Rutherford County was one of only three Tennessee counties that provided a pharmacy benefit to the post-65 retirees and also helped subsidize the cost.

Chairman Ealy asked Mrs. Miller to go over the three health insurance proposals that were recommended by the Insurance Committee. Chairman Ealy advised that the proposals would be for information only and that the Budget Committee would not be taking any action on the proposals. She recommended that the proposals be forwarded on to the full commission due to the complexity of the proposals and their impact on a large number of county employees and retirees. She requested that Mrs. Miller present the information on the three proposals to the committee and to also present the same information to the County Commission on February 12.

Mrs. Miller stated that it was important to understand that GASB 45 did not create this liability. Rutherford County created the liability by allowing its' retirees access to the health insurance plan and by paying a portion of their premiums.

PROPOSAL FOR NEW HIRES AS OF MARCH 1, 2009:

Mrs. Miller advised the first proposal would not impact current employees at all. It deals with persons hired after March 1, 2009. It will not have an immediate impact, but it will slow the growth over future years. Rutherford County can lower the Annual Required Contribution (ARC) 10 years from now to \$45.2 million from the current \$60 million. The proposal for new

hires as of March 1, 2009 would limit the county contribution to \$300 per month or the actual cost of coverage, whichever is less, to each eligible retiree; change the post-65 plan to remove pharmacy benefits with the eligible retiree needing to purchase Medicare D coverage; change the eligibility requirements to age 60 with 20 years of service and 15 consecutive years on the plan; or any age with 30 years of service and 15 consecutive years on the plan.

With this proposal the ARC would decrease by \$14.8 million by 2018. Mrs. Miller also stated that it was important to understand that this proposal would not impact anyone who was currently working for Rutherford County. It also has no impact on them if they are active employees once they are hired. This simply affects the retirement benefits for people hired after March 1, 2009.

Comm. Bullen asked if someone was hired in the next 10 days where would they fall.

Mrs. Miller advised they would fall under the current plan.

The committee discussed making the effective date upon adoption of a Resolution by the County Commission.

FIVE-YEAR PHASE-IN FOR ADEQUATE RATE STRUCTURE FOR POST 65 COVERAGE AND NON-GRANDFATHERED EMPLOYEES AGES 60-64:

Mrs. Miller advised that in 1999, the Rutherford County Commission approved funding of 50% of premium costs for county retirees. However, for the post-65 population, the rates were never adjusted to reflect the 50% employee contribution.

The liability can be mitigated by moving future post-65 retirees to the appropriate 50% contribution rate structure. The proposal from the GASB Subcommittee makes this effort over a period of five years so that members approaching retirement have time to plan for their costs.

Mrs. Miller advised that this proposal would not impact any grandfathered employees. This proposal would phase in the retiree to the 50% contribution structure over a five-year period. Employees age 60-64 would be impacted by this proposal so they could begin planning. For someone who was age 64 and was not in the grandfathered group, in 2009 they would begin paying the \$83.87 for single coverage or \$167.73 for two-party coverage when they become Medicare eligible. These individuals will pay the appropriate 50% rate for the year in which they retire. With this proposal, the ARC could be lowered in 10 years from \$60 million to \$54.5 million.

GRANDFATHERING ALL POST 65 RETIREES AND EMPLOYEES WITH 30 YEARS OF SERVICE WITH A 75% CONTRIBUTION RATE FOR RETIRED EMPLOYEES AND 50% CONTRIBUTION RATE FOR RETIRED SPOUSES:

The third proposal dealt with all post-65 employees and retirees, those imminently approaching age 65 and employees with 30 years of service by a certain date in order to minimize a huge rate impact. This group is currently paying approximately 19% of the adequate premium. This proposal would increase the contribution rate to 25% of the full premium for the employee who actually gave the service to the county and 50% for their spouses. If this proposal was adopted, the ARC could be lowered 10 years from now to \$51.9 million from the current \$60 million. Mrs. Miller advised that the current pre-65 premium rates were much higher than the proposed rates for the grandfathered group.

Comm. Bullen asked Mrs. Miller how many people would be impacted by the 30 years of service as of March 1, 2009. He asked how many people would barely miss being included in this group. He asked if it would be possible to change the date from March 1 to September 1, 2009.

Mrs. Miller advised that she had looked at the census and identified 10 people. She stated that in order to include those 10 people in this group, the date would need to be moved to September 1, 2009. She stated that by changing the date to September 1, it would also pick up three people

who would be turning age 65 in that time period. She stated she would bring the September 1 date forward to the County Commission.

Mrs. Miller advised that the proposals touched three different groups: new hires, people who are approaching age 65 and retirement, and the grandfathered group. If all three proposals are adopted the accumulative effect would be to lower the ARC in 10 years from \$60 million to \$31.8 million or a reduction of \$28.4 million.

Comm. Shafer asked Mrs. Miller to put a copy of the information in all of the commissioner's mailboxes before the County Commission meeting along with her telephone number.

The committee took a short recess at this time.

GENERAL FUND BUDGET AMENDMENTS

HEALTH DEPARTMENT:

Mr. Andre Fresco, Health Department Director, was present to request approval of the following budget transfer to provide an additional appropriation for office supplies. Mr. Fresco advised that the State had historically paid for many of the supplies, but since the State was in a fiscal crisis he was having difficulty getting the supplies paid for:

From: 101-55110-399 – Other Contracted Services -	\$7,000
To: 101-55110-499 – Other Supplies/Materials -	\$7,000

Following review, Comm. Bullen moved, seconded by Comm. Jernigan to approve the budget transfer for the Health Department as requested. The motion passed unanimously by roll call vote.

APPROVE AGREEMENT WITH TENNESSEE DEPARTMENT OF HEALTH:

Mr. Fresco requested approval of an Agreement with the State for Fiscal Year July 1, 2008.

The Finance Director advised that the original contract from the State contained incorrect numbers. She advised she had adjusted the numbers, and the correct contract would be available at the County Commission meeting.

The Finance Director noted that Item C. stated that \$128,375 was an appropriation for which Rutherford County shall be billed. She stated this amount had been the same for several years until the county renovated the Smyrna Health Department. At that time the State allowed the county to pay less, so that a portion of that appropriation could be used toward the Smyrna project. In the current Rutherford County budget, the appropriation for that is \$119,164. Item B of the Agreement states that there is \$39,187 of prior year savings which are currently on deposit with the Tennessee Department of Health. This money together with the \$119,164 that Rutherford County has appropriated totals \$128,375. In the 2009-10 budget, \$128,375 will again be appropriated as Rutherford County's payment to the State.

Following discussion, Comm. Jernigan moved, seconded by Comm. Sandlin to authorize the County Mayor to execute the Agreement with the Tennessee Department of Health beginning July 1, 2008 with Rutherford County agreeing to appropriate a total of \$692,811 for the support of the Rutherford County Health Department with \$525,249 being Direct Local funds for which Rutherford County shall not be billed, \$39,187 being prior year savings which are currently on deposit with the Tennessee Department of Health, and \$128,375 being appropriations for which Rutherford County shall be billed. The motion passed unanimously by roll call vote.

GENERAL SESSIONS COURT:

Mrs. Wanda Watkins was present to request approval of the following budget transfer to provide adequate funding for the Office Supplies Account:

From: 101-53300-709 – Data Processing Equipment -	\$1,000
To: 101-53300-435 – Office Supplies -	\$1,000

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget transfer for General Sessions Court as requested. The motion passed unanimously by roll call vote.

CORRECTIONAL WORK CENTER:

Mr. Alan Miller, Correctional Work Superintendent, was present to request approval of the following budget transfer to provide sufficient funding for the Maintenance Agreements Account to cover the copy machines:

From: 101-54220-418 – Equipment/Machinery Parts -	\$1,750
101-54220-499 – Other Supplies/Materials -	1,750
To: 101-54220-334 – Maintenance Agreements -	\$3,500

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget transfer as requested for the Correctional Work Center. The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Sheriff Truman Jones and Chief Regina Nelson were present to request approval of the following budget amendments to transfer money within their budget for extradition costs and to request unspent 07-08 Community Enhancement Grant money in the amount of \$5,000 for rehabilitation:

From: 101-54110-334 – Sheriff's Department/Maintenance Agreements -	\$ 1,830
101-54110-186 – Sheriff's Department/Longevity -	1,225
101-54110-187 – Sheriff's Department/Overtime Pay -	8,945
101-54110-199 – Sheriff's Department/Other Per Diem & Fees -	5,000
101-54110-196 – Sheriff's Department/In-Service Training -	1,000
101-54110-312 – Sheriff's Department/Other Contracted Svc. -	1,000
101-54110-336 – Sheriff's Department/Maint./Repair Equipment -	1,000
To: 101-54210-354 – Jail/Transportation Other than Students -	\$20,000
From: 101-39000 – Undesignated Fund Balance -	\$ 5,000
To: 101-54210-499 – Jail/Other Supplies/Materials -	\$ 5,000

Comm. Shafer moved, seconded by Comm. Peay to approve the budget amendments for the Sheriff's Department and Jail as requested. The motion passed unanimously by roll call vote.

AMBULANCE SERVICE:

Mr. Mike Nunley, Ambulance Service Director, was present to request approval of the following budget amendment to provide additional funding for the Part Time Personnel line item and the related benefits. He explained that there had been an unusually high number of employees on FMLA this year:

From: 101-39000 – Undesignated Fund Balance -	\$127,027
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To:	101-55130-169 – Part Time Personnel -	\$118,000
	101-55130-201 – Social Security -	7,316
	101-55130-212 – Employer Medicare -	1,711

Comm. Jernigan asked Mr. Nunley if he could not find the money within his budget. Mr. Nunley advised that he was going to need more money. He stated that he had looked within the budget and he believed that he could come up with approximately \$75,000. He stated he would be back before the end of the year requesting approval of a transfer.

Following discussion, Comm. Shafer moved, seconded by Comm. Jernigan to approve the budget amendment for the Ambulance Service to provide additional funding for the Part Time Personnel Account and the related benefits as requested. The motion passed unanimously by roll call vote.

Mr. Nunley requested approval of the following budget amendment to appropriate revenue received from MTSU for providing medical coverage at events for Overtime Pay and the related benefits:

Increase Revenue:	101-43990 – Other Charges for Services -	\$7,010
Increase Expend.:	101-55130-187 – Overtime Pay -	\$5,820
	101-55130-201 – Social Security -	360
	101-55130-204 – State Retirement -	744
	101-55130-212 – Employer Medicare -	86

Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget amendment for the Ambulance Service as requested to appropriate revenue for providing medical coverage for special events at MTSU for Overtime Pay and the related benefits. The motion passed unanimously by roll call vote.

EMPLOYEE BENEFITS/EMPLOYEE INSURANCE:

Finance Director Lisa Nolen requested approval of the following budget amendment to provide sufficient funding for employee health insurance matching according to the actual coverage. She advised that during the budget cycle employee insurance was budgeted according to the actual coverage employees had at that time. During open enrollment employees may enroll in the plan or make changes to the plan such as changing from single to family. In the General Fund \$60,000 was budgeted in Account 101-58600-205, Employee Benefits/Employee Insurance for the purpose of making adjustments to various departments as required. The first part of the amendment utilized this \$60,000 to cover the shortage in several departments for their employee insurance. She advised that in the Property Assessor Department, there was enough money to cover a shortage in the Reappraisal Department. In the Jail Employee Insurance Account there was sufficient funding to cover the shortage in the Sheriff's Department:

From:	101-58600-205 – Employee Benefits/Employee Insurance -	\$60,000
To:	101-51500-205 – Election/Employee Insurance -	\$ 7,082
	101-51720-205 – Planning/Employee Insurance -	1,690
	101-52100-205 – Finance/Employee Insurance -	1,237
	101-52600-205 – Data Processing/Employee Insurance -	6,604
	101-53110-205 – Circuit Judges/Employee Insurance -	138
	101-53910-205 – Youth Services/Employee Insurance -	3,557
	101-54220-205 – Correctional Work Ctr/Employee Insurance -	9,510
	101-54240-205 – Juvenile Detention/Employee Insurance -	16,948
	101-55110-205 – Health Dept./Employee Insurance -	6,562
	101-55130-205 – Ambulance Service/Employee Insurance -	6,672
From:	101-52300-205 – Property Assessor/Employee Insurance -	\$ 945
To:	101-52310-205 – Reappraisal/Employee Insurance -	\$ 945

From: 101-54210-205 – Jail/Employee Insurance -	\$28,000
To: 101-54110-205 – Sheriff/Employee Insurance -	\$28,000

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment as requested to provide sufficient funding for the Employee Insurance Accounts for the Election Commission, Planning Department, Finance Department, Data Processing, Circuit Judges, Youth Services, Correctional Work Center, Juvenile Detention Center, Health Department, Ambulance Service, Reappraisal Department and Sheriff's Department. The motion passed unanimously by roll call vote.

EMPLOYEE BENEFITS/LONG TERM DISABILITY:

The Finance Director requested approval of the following budget amendments to provide funding for the Long Term Disability for employees in the General Fund, Solid Waste/Sanitation Fund, Drug Control Fund, and Highway Department. She advised that the Long Term Disability costs were based on 22 cents for every \$100 of salary. The Worker's Compensation appropriation was utilized to fund the amendment:

General Fund:

From: 101-58600-513 – Employee Benefits/Worker's Compensation -	\$33,850
To: 101-51300-209 – County Mayor/Disability Insurance -	\$ 265
101-51310-209 – Human Resource/Disability Insurance -	136
101-51400-209 – County Attorney/Disability Insurance -	205
101-51500-209 – Election/Disability Insurance -	321
101-51720-209 – Planning/Disability Insurance -	509
101-51750-209 – Environmental/Disability Insurance -	34
101-51760-209 – GIS/Disability Insurance -	210
101-51800-209 – County Bldgs./Disability Insurance -	330
101-51900-209 – Community Learning/Disability Insurance -	189
101-51910-209 – Archives/Disability Insurance -	48
101-51920-209 – Insurance/Disability Insurance -	274
101-52100-209 – Finance/Disability Insurance -	626
101-52300-209 – Assessor of Property/Disability Insurance -	963
101-52310-209 – Reappraisal/Disability Insurance -	352
101-52600-209 – Data Processing/Disability Insurance -	702
101-53110-209 – Circuit Judges/Disability Insurance -	188
101-53300-209 – General Sessions/Disability Insurance -	829
101-53330-209 – Drug Court/Disability Insurance -	317
101-53400-209 – Chancery Court/Disability Insurance -	543
101-53500-209 – Juvenile Court/Disability Insurance -	279
101-53600-209 – District Attorney/Disability Insurance -	55
101-53910-209 – Youth Services/Disability Insurance -	291
101-53930-209 – Domestic Violence/Disability Insurance -	92
101-54110-209 – Sheriff's Dept./Disability Insurance -	10,500
101-54210-209 – Jail/Disability Insurance -	5,300
101-54220-209 – Correctional Work Ctr./Disability Insurance -	1,632
101-54240-209 – Juvenile Detention/Disability Insurance -	1,205
101-54430-209 – Emergency Mgmt./Disability Insurance -	258
101-54510-209 – Building Codes/Disability Insurance -	564
101-55110-209 – Health Dept./Disability Insurance -	265
101-55120-209 – PAWS/Disability Insurance -	478
101-55130-209 – Ambulance/Disability Insurance -	5,500
101-57100-209 – Agriculture Ext./Disability Insurance -	173
101-57500-209 – Soil Conservation/Disability Insurance -	41
101-57800-209 – Storm Water/Disability Insurance -	56
101-58400-209 – Garage/Disability Insurance -	120

From: 101-55190-205 – Other Local Health/Employee Insurance -	\$ 1,078
To: 101-55190-209 – Disability Insurance -	\$ 1,078

Solid Waste/Sanitation Fund:

From: 116-55732-205 – Convenience Centers/Employee Insurance -	\$ 1,574
To: 116-55720-209 – Litter Grant/Disability Insurance -	\$ 84
116-55732-209 – Convenience Centers/Disability Insurance -	670
116-55754-205 – Landfill/Employee Insurance -	670
116-55754-209 – Landfill/Disability Insurance -	150

Drug Control Fund:

From: 122-39000 – Undesignated Fund Balance -	\$ 8,200
To: 122-54150-205 – Employee Insurance -	7,850
122-54150-209 – Disability Insurance -	350

Highway Fund:

From: 131-39000 – Undesignated Fund Balance -	\$ 7,110
To: 131-61000-205 – Administration/Employee Insurance -	\$ 4,700
131-61000-209 – Administration/Disability Insurance -	270
131-62000-209 – Highway/Bridge Maint./Disability Insurance -	1,380
131-63100-209 – Operation/Maint. Equip./ Disability Ins. -	310
131-63400-209 – Quarry/Disability Insurance -	210
131-65000-209 – Other Charges/Disability Insurance -	240

Following review, Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendments to provide funding for the Long Term Disability and adjustments to the Employee Insurance Account for employees of the General Fund, Solid Waste/Sanitation Fund, Drug Control Fund, and Highway Fund as requested. The motion passed unanimously by roll call vote.

SOLID WASTE/SANITATION FUND BUDGET AMENDMENTCONVENIENCE CENTERS:

Mr. Mac Nolen, Solid Waste Director, requested approval of the following budget transfer to provide adequate funding for the Uniform Account:

From: 116-55732-708 – Communications Equipment -	\$1,400
To: 116-55732-451 – Uniforms -	\$1,400

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget transfer for the Convenience Center Uniform Account as requested. The motion passed unanimously by roll call vote.

RESOLUTION IN SUPPORT OF FISCAL YEAR 2009 THDA HOME GRANT APPLICATION:

Mayor Burgess advised that previously Rutherford County had applied for the THDA HOME Grant funds to allow for housing improvements. He advised that Rutherford County may apply for the 2009 HOME funds in an amount not to exceed \$500,000. The grant does not require any local matching funds. Mayor Burgess requested approval of a Resolution to allow Rutherford County to apply for the 2009 HOME Grant funds in the amount of \$500,000.

Following review, Comm. Peay moved, seconded by Comm. Jernigan to forward a Resolution to the County Commission authorizing the County Mayor to execute an application through the State of Tennessee, HOME Program in the amount of \$500,000. The motion passed unanimously by roll call vote.

APPROVE GRANT CONTRACT WITH STATE OF TENNESSEE, DEPARTMENT OF MILITARY FOR 2008 HOMELAND SECURITY GRANT:

Mr. Roger Allen, Emergency Management Director, requested approval of a Grant Contract with the State of Tennessee, Department of Military, Tennessee Emergency Management for the Fiscal Year 2008 Homeland Security Grant Program in the amount of \$283,841. Mr. Allen advised that the grant was 100% federally funded. He explained that the grant was the same type of grant that had previously been received for District Six, but this grant was now for the Urban Area Security Initiative (UASI) of Nashville. He requested that the County Mayor be authorized to execute the Grant Contract to accept the funds.

Following review, Comm. Peay moved, seconded by Comm. Jernigan to forward a Resolution to the County Commission authorizing the County Mayor to execute the Grant Contract with the State of Tennessee, Department of Military to accept the Fiscal Year 2008 Homeland Security Grant in the amount of \$283,841. The motion passed unanimously by roll call vote.

APPROVE ANNUAL INFLATION ADJUSTMENT OF THE FINANCIAL ASSURANCE FOR THE RUTHERFORD COUNTY LANDFILL:

Chairman Ealy presented an amendment of Contract in Lieu of Performance Bond reducing Rutherford County's financial assurance for the proper operation and closure and/or post-closure of the Rutherford County Landfill from \$3,841,447.52 to \$3,754,841.00.

Comm. Jernigan moved, seconded by Comm. Sandlin to forward a Resolution to the County Commission amending the Contract in Lieu of Performance Bond reducing Rutherford County's financial assurance for the proper operation and closure and/or post-closure of the Rutherford County Landfill from \$3,841,447.52 to \$3,754,841.00. The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENT:

Director of Schools, Harry Gill, and Mr. Jeff Sandvig were present to request approval of the following budget amendment to transfer \$1,569,000 from the General Purpose Schools' Fund Balance in order to write off the \$1,569,000 note receivable on the General Purpose School accounts that was issued to purchase 84 acres of the Brown Property. The essence of the amendment is that the Board has to write off the note receivable that was recorded for the purchase. The county cannot use borrowed funds to purchase land that will not be needed for a school. If the land is not sold, it must be paid for with school funds within three years after the purchase:

From: 141-39000 – Undesignated Fund Balance -	\$1,569,000
To: 141-99100-590 – Transfers Out -	\$1,569,000

Following review, Comm. Jernigan moved, seconded by Comm. Sandlin to approve the General Purpose School Fund budget amendment as requested to transfer \$1,569,000 from the General Purpose Schools' Fund Balance in order to write off the \$1,569,000 note receivable for 84 acres that was purchased known as the Brown Property. The motion passed unanimously by roll call vote.

SCHOOL BUILDING PROGRAM BUDGET AMENDMENT:

Mr. Gill requested approval of a cleanup amendment for the Homer Pittard Campus School Renovation moving existing Campus School repair funds in the amount of \$178,783 from the

2005 Elementary Repairs Project and \$869 from the 2005 Secondary Repairs Project to the main Campus School Renovation Budget so that the old repair projects can be closed out. The amendment also reallocated funds in the main renovation project to the appropriate line items where the expenditures will be charged. No new funds were being used in the project:

From: 2005 Elementary Repairs -	\$178,783
2005 Secondary Repairs -	869
To: Campus School Renovation Project -	\$179,652

Following review, Comm. Bullen moved, seconded by Comm. Jordan to approve the School Building Program budget amendment as requested to amend \$178,783 from the 2005 Elementary Repairs and \$869 from the 2005 Secondary Repairs to the main Campus School Renovation Budget and to amend the line items within the main Campus School Renovation Budget where the expenditures will be charged. The motion passed unanimously by roll call vote.

EDUCATION CAPITAL PROJECTS BUDGET AMENDMENT:

Mr. Gill reported that the May 2008 Facilities Plan showed the McFadden Renovation as a Fiscal 2009 project. Since then the School Board has discussed proceeding with the John Coleman Renovation and deferring the McFadden Renovation until Fiscal 2010 so that the renovation can address any changes needed by the change in grade structure to a K-5 school. The fall 2008 version of the facility plan listed the John Coleman Renovation instead of the McFadden Renovation. Mr. Gill requested an Education Capital Projects Fund budget amendment changing the renovation to John Coleman instead of McFadden in the amount of \$650,000.

Following review, Comm. Shafer moved, seconded by Comm. Bullen to approve the Education Capital Projects Fund budget amendment changing the \$650,000 2009 McFadden Renovation Project to the John Coleman Renovation Project.

Comm. Peay asked why John Coleman was being put ahead of McFadden.

Mr. Gill advised that in 2010 the Central Magnet School would be opening, and the grade structure for McFadden would be changing. He stated that the change in grade structure in and of itself might require some renovations, and so it was believed it would be better to wait to renovate McFadden after the sixth grade was moved.

Comm. Sandlin stated he believed there was a lot of interest in renovating McFadden because of its age, and he did not think it was a good idea to push it back.

Mr. Gill advised that John Coleman was also an old school, and the Board believed it would be better to wait on McFadden until after the sixth grade was moved to the Central Magnet School. He stated that McFadden would only be delayed a year.

Mr. Clardy advised that the John Coleman renovations would begin this summer, which would entail pulling up the entire floor and underlayment throughout the school, replacing it with new underlayment and floor tile, and repainting the entire school. Window replacements have already been installed, and the entire outside of the school has been painted. New metal siding and gutters have also been installed. He advised that there were also some structural repairs that needed attention.

Comm. Sandlin stated that he was concerned about the unsettled process for the Central Middle Magnet School. He stated he thought it was going to be discussed at the last Health & Education Committee meeting, along with the construction of the two new middle schools, but it was not.

Mr. Gill stated that the Board was assuming that since the County Commission voted 20 to 1 to approve the construction of the two middle schools that the County would be going to the bond market to borrow money for the schools so they could be opened in 2010. He stated that

currently the design for the Buchanan Middle School was complete, and the design for the DeJarnette Middle School would be completed soon. The bids on one of the schools will be in on March 3rd and the other bids will be submitted on March 17th. Mr. Gill stated that construction needed to begin by April 1.

Comm. Sandlin stated that the Health & Education Committee had requested more information and discussion about the two middle schools, but it was not presented at the last meeting. He stated that the budget numbers were not looking favorable. He stated that personally he believed there might be some adjustments, but he did not know what the adjustments would be.

Mr. Gill asked what adjustments might be made. He stated that he knew the two middle schools were not on the agenda, but he would like to discuss it further.

Following discussion, the motion to approve the Education Capital Projects Fund budget amendment changing the \$650,000 2009 McFadden Renovation Project to the John Coleman Renovation Project passed unanimously by roll call vote.

Chairman Ealy asked Mr. Gill to remain until Other Business was brought up, because the future borrowing would be discussed.

COMPREHENSIVE PLAN AND PLANNING TOOLS UPDATE SERVICES AGREEMENT WITH PB AMERICAS, INC.:

Mr. Doug Demosi, Planning Director, was present to request approval of a Comprehensive Plan and Planning Tools Update Services Agreement with PB Americas, Inc. in the amount of \$249,345 for professional planning services and for the development of a comprehensive plan and planning tools update.

Mr. Demosi advised that during the past several months, the Planning staff had been in the process of identifying a consultant in order to prepare a comprehensive plan for the unincorporated areas of Rutherford County as well as a zoning regulation and subdivision regulations update. He advised that four very qualified firms had been interviewed in December, 2008. The selection committee unanimously recommended Parsons Brinkerhoff for the project. PB Americas was also approved unanimously by the Comprehensive Plan Steering Committee that was appointed by Mayor Burgess as well as the Planning Commission. Mr. Demosi advised that the contract had been reviewed by the legal staff, and they made some suggestions for changes. PB Americas agreed to the changes. Mr. Demosi advised the committee that \$75,000 was appropriated in the current Fiscal Year budget to begin work. He stated that should be enough funding for the current fiscal year. He stated that he was not requesting any additional funding at this time, but the 2009-10 budget would also contain funding for the project. Mr. Demosi stated that the project would take approximately two years to complete with the anticipated completion date being February or March, 2011. He advised it might also be necessary to put some funding in the 2010-2011 budget, as well.

Mr. Demosi requested approval of the contract and to forward the contract to the County Commission in order to authorize the County Mayor to execute the contract.

Comm. Bullen asked why it would take so long to complete the process.

Mr. Demosi advised that the consultant would be working on three separate items, the first being the plan for the unincorporated areas of the county – the land use plan. He stated it would take the first year to complete that portion. The second year would be used to complete the zoning regulations and the subdivision regulations update. He stated that ideally when major changes were made to land use regulations it should be based on a land use plan. Land use plans generally take about a year to 18 months to complete.

Mayor Burgess stated that the consultant would want to get as much public input as possible. He stated there would be several public hearings. He stated it would need to be a complete process allowing all citizens to express themselves.

Comm. Jordan stated that the consultant would identify properties that would be commercial and properties that were not. He stated there would be a lot of happy people and a lot of upset people.

Comm. Bullen asked what would happen in the meantime to projects that were demanding attention and movement.

Mr. Demosi stated that the County would not freeze business as usual and those projects would be considered under the current regulations.

Mayor Burgess stated that some minor changes may be made to the current plan as the county moves through the process.

Comm. Peay asked if the consultant would be making recommendations on rezoning rural areas. If so, he stated that he would recommend rezoning property by property. He stated that he did not necessarily agree with blanket rezoning.

Mr. Demosi stated that ultimately when the Comprehensive Plan was completed it would make recommendations for future land use. He stated that would be one document. The actual rezoning of property would come in the second phase when the zoning regulations would be revised and the properties would be looked at to make sure they were consistent with the land use plan. He stated it would be necessary to still have public hearings.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to approve the Comprehensive Plan and Planning Tools Update Services Agreement with PB Americas, Inc. for a total fixed price of \$249,345 and to authorize the County Mayor to execute the same and forward to the County Commission. The motion passed unanimously by roll call vote.

OTHER BUSINESS

UNEMPLOYMENT COMPENSATION BUDGET AMENDMENTS:

The Finance Director requested approval of the following budget amendments to provide sufficient funding for the Unemployment Compensation for the General Fund and the Solid Waste/Sanitation Fund. She advised that both amendments are the result of the extension of time that individuals could draw unemployment. She advised that in the General Fund, the full year's appropriation had almost been spent with the total actual being \$25,177. She stated that another \$30,000 was being requested for the General Fund and an additional \$15,000 was being requested for the Solid Waste/Sanitation Fund:

General Fund:

From:	101-39000 – Undesignated Fund Balance -	\$30,000
To:	101-58600-210 – Unemployment Compensation -	\$30,000

Solid Waste/Sanitation Fund:

From:	116-39000 – Undesignated Fund Balance -	\$15,000
To:	116-58600-210 – Unemployment Compensation -	\$15,000

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendments for the General Fund and the Solid Waste/Sanitation Fund as requested to provide an additional \$30,000 for the Unemployment Compensation in the General Fund and an additional \$15,000 for Unemployment Compensation in the Solid Waste/Sanitation Fund. The motion passed unanimously by roll call vote.

INFORMATION REGARDING FUTURE BORROWING:

Finance Director Nolen advised that when the County was first considering the next bond issue in the fall of 2008, it was anticipated that \$44.6 million would be needed. She reminded the committee that the County Commission had authorized a Capital Outlay Note of \$15 million, a Bond Resolution for \$44.6 million, an interfund note for schools in the amount of \$15 million, and an interfund note for roads for \$3 million. She advised that to date, a \$10 million interfund note had been issued for schools, the \$3 million interfund note for roads had been issued, and a \$10 million Capital Outlay Note had been issued. No bonds had been issued at this point. Of the \$44.6 million originally identified, \$34.6 million was still needed. She stated that she knew there had been discussion of either constructing the two new middle schools or delaying the schools. She stated that if it was the decision to construct the two middle schools, \$37.9 million would need to be borrowed in the spring of 2009. It would then be necessary to borrow money only a few months later in the fall of 2009 or the spring of 2010 to complete the schools. She asked the committee for their opinion in borrowing all of the middle school money in the spring of 2009, which would be a total of \$72.5 million. This issue would cover the full costs for the middle schools, plus the additional amount needed for Brown's Chapel, and \$2.3 million for roads.

The County Commission has approved \$44.6 million. The Finance Director stated if the County Commission approved borrowing the total funding needed for the middle schools and the balance for Brown's Chapel Elementary, the financial advisors have advised that another Capital Outlay Note for \$27.9 million could be authorized.

Comm. Jordan asked if all of the money would be needed by the fall of 2009.

Mrs. Nolen stated that the School Board has indicated that contracts would be approved in March with construction to begin in April. She stated that typically the money should be spent within two years.

Comm. Jordan stated there had been a lot of talk about cost savings if the schools were built during depressed times. He asked if there had been any research done about that. He stated that he had heard that there could be as much as a 20% savings. He said that would be \$5 million per school.

Mayor Burgess stated the savings would not be quite that much, because the actual school and site would probably be about \$17 million or \$18 million. He stated a 10% saving would be \$2 million per school. He stated there were some other factors. He stated one piece of good news was that now was a good time to borrow money. He stated that the interest rates were excellent, but he stated he did not know if that would continue.

Mr. Gill advised there was a potential for savings and it was a good time to build. He stated fuel costs were down, costs for materials were down, and there was a big labor force. He asked the Finance Director what the amount was that she anticipated borrowing per school.

The Finance Director stated that the budget amount for the DeJarnette School was \$26.7 million, and the amount for the Buchanan Middle School was \$28.5 million. She stated that also included the land cost.

Mr. Gill stated that he believed the final cost would be substantially lower, but he stated that sewer would have to be run to Buchanan. He stated that would cost approximately \$1.5 million to \$1.6 million. He stated that approximately \$2.2 million would be needed to renovate Central Magnet School. He stated all of that could be accomplished within the dollars that the Finance Director stated. He stated the costs should still come in lower than that.

Mr. Clardy reminded the committee that the bids on Buchanan would be in by March 3rd, and the bids on the DeJarnette school would be in by March 17. He stated they would have a much better idea at that point what the numbers would actually be.

The Finance Director stated that excluding the land, the total construction costs were anticipated to be \$24.8 million per school.

Mr. Gill stated if it was not for the sewer to Buchanan Middle School or the renovation for Central Magnet School, he would estimate that approximately \$5 million to \$7 million could be saved.

Comm. Sandlin stated that the costs to operate the schools needed to be considered, as well.

Comm. Shafer stated that since the County had not borrowed the original \$44.6 million that it would be better to go to the bond market once instead of in the spring and again the fall.

Mayor Burgess stated that it would save the cost of issuance. He stated that two other factors were that it was an opportune time to borrow money. Secondly, in view of the economic crisis and the things that have happened in the county, he was not certain that the county's bond rating would stay the same. He stated that he believed it was subject to change. He stated he would rather issue the bonds now, if that was what was decided, instead of taking the risk that the interest rates might increase. He stated that the rates could change in a few months. He stated that banks were still in serious distress.

Comm. Peay stated that what bothered him was that if the borrowing was done, it would be the same as the County Commission voting for a property tax increase. He stated he would like to see a spreadsheet showing the cost of waiting versus what the cost was now. He stated he did not want a property tax increase with people being laid off from their jobs. He stated that was his biggest concern. However, he stated if it was going to cost more to wait, then it might make sense to go ahead and borrow all of the money.

Mayor Burgess stated he did not know if waiting a year would make much difference, because he stated he did not think construction costs would go up much in a year. He said it might be starting to recover, but he did not think it would be back to the same level. As far as the capital costs were concerned, he stated that he believed that any time between now and the next year would be a reasonable approach to take. He stated the real costs were the operating costs which must be projected and viewed. He stated that in this economy, he did not believe the same revenue would be generated a year from now. He stated that if no new teachers were added except for Brown's Chapel and the new middle schools, almost \$12 million in new money would be needed over a two year period to operate the schools and pay for the debt.

Mr. Sandvig distributed information regarding operating costs that would be needed in the 2010/11 budget for the two approved middle schools and Central Academic Magnet School.

Mr. Gill stated that the Board's concern was that they did not want to delay, and they did not think they needed to delay the construction. He stated there were still 3,000 children in portables. He stated that they also knew that the enrollment was not going to grow nearly as much as in the past several years. He stated that he was fearful that if the construction was put off a year, that in an election year it would be more difficult to get the schools built.

Comm. Jordan asked if there was a projection on the interest rates that might have to be paid.

Mayor Burgess stated that currently the short term rates were very good. He stated that short-term three-year money could be borrowed at 1.5%.

Comm. Bullen stated it was his understanding that Williamson County was going to the bond market next week to issue \$50 million. He stated that Rutherford County would be able to get some kind of understanding about the market after that.

Mayor Burgess stated he was not concerned about the rates, and believed the rates were very favorable. His concern was the operating costs, and he stated he did not know how the county would escape a substantial property tax rate increase this year unless people were laid off or pay

was cut. He stated that retail sales were falling at a rate of 4.5% per year. He stated that sales tax would continue to decline. He stated this was a time that was unprecedented in the economy.

Regarding the schools enrollment numbers, Mayor Burgess stated that the enrollment in grades K-6 were almost flat. He stated there was not going to be any internal growth. He stated that growth was going to have to come from people moving back into the community because of attraction of jobs. He stated that until the job market turned around nothing would turn around. He stated that the property tax increase for Fiscal Year 2009-10 might be small, but he believed the property tax increase for 2010-11 could be material. He stated that he believed that the only thing that could stop this would be if Rutherford County received money from the stimulus package. He stated that he did not believe that was going to happen in enough volume to change the overall picture.

Comm. Bullen stated if nothing was done, the School Board would have to purchase portables at \$55,000 each.

Mayor Burgess stated that he and the members of the committee could afford \$9.00 more on their property tax. However, he stated that about two to three times per day, there were people in the courthouse with lending agencies holding foreclosure auctions. He stated there were some people who could not buy food. He stated it was a critical time in the lives of Rutherford County citizens, not all of them but 10% to 15%. He stated he did not know how they were going to be able to pay their property taxes at all, and would probably be delinquent.

Comm. Bullen stated that Rutherford County was a progressive county and would move forward.

Mayor Burgess stated that before he was mayor, the School Board and the County Commission put a wonderful school system in place, the best around. He stated that he did not believe there was any other county in the state that had a building program equivalent to Rutherford County's. He stated that Rockvale Middle School was just opened, and in that process it alleviated substantial pressure at Central Middle, Christiana Middle and Barfield Elementary. He stated there had been some major improvements.

Comm. Sandlin stated that this information was to have been presented to the Health & Education Committee. He stated the county might have to slow down to see what the economy was going to do. He stated he believed the county could wait a year before building the schools. He stated he believed the county needed to get through this budget year without borrowing the money.

Mr. Gill stated that by waiting, he believed that would be effectively stopping the project.

Mayor Burgess stated that the bonds could be issued at any time. He stated that as Mr. Gill had stated there would be a date for the construction of the schools to be started in order to open on time. He stated with additional discussion and information, it would be at least March before the Commission would be taking final action. He asked if final authorization was approved at the March Commission meeting would that allow enough time for construction to begin in order for the schools to open in 2010.

Comm. Shafer stated he would also like to see a spreadsheet comparing the costs if the project was done now versus the cost if it was delayed. He stated he also would like to know if there was a feasible alternative to portables or building new schools in the short term.

Mr. Gill stated that except for implementing shifts or multi-tracked schools, he did not know of anything else.

Comm. Sandlin asked about building only one middle school instead of two and phasing in the schools.

Dr. Mark Byrnes, School Board Chairman, stated that he had not seen any interest from the school board regarding splitting up the schools or changing the order. He stated that the middle

school plan was part of a larger plan that had a lot of benefits. He stated that it was not only about seats, it was also about the establishment of a magnet school and a true middle school experience for every student in the county. He stated what he heard from the public was that they wanted the middle schools. He stated that there was a great demand for the magnet school.

Mayor Burgess stated that what he and the Finance Director were hearing was that they were not to issue bonds until after the March County Commission meeting. He asked the committee if that was correct.

Comm. Shafer asked if they would need to obtain permission.

The Finance Director advised that the \$44.6 million included about \$16 million for the middle schools.

Mayor Burgess advised that when the bonds were issued, he wanted to issue the entire amount of \$72.5 million.

The Finance Director advised that the publication had already been done notifying the public of the intent to issue \$85 million in bonds, so another publication would not be necessary.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 8:22 P.M.

Elaine Short, Secretary